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By: **Prince George's County Delegation**

Introduced and read first time: February 9, 2001

Assigned to: Ways and Means

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A BILL ENTITLED

1 AN ACT concerning

2 **Prince George's County - Transfer Tax**  
3 **PG 408-01**

4 FOR the purpose of altering the maximum rate for the Prince George's County  
5 transfer tax for first-time Prince George's County home buyers; altering the  
6 maximum rate for the transfer tax in Prince George's County for the transfer of  
7 residential real property on or after certain dates; providing for the termination  
8 of certain provisions of this Act; providing for a delayed effective date for certain  
9 provisions of this Act; and generally relating to the Prince George's County  
10 transfer tax.

11 BY repealing and reenacting, without amendments,  
12 The Public Local Laws of Prince George's County  
13 Section 10-187(a)(1)  
14 Article 17 - Public Local Laws of Maryland  
15 (1999 Edition, as amended)

16 BY repealing and reenacting, with amendments,  
17 The Public Local Laws of Prince George's County  
18 Section 10-187(b)  
19 Article 17 - Public Local Laws of Maryland  
20 (1999 Edition, as amended)

21 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
22 MARYLAND, That the Laws of Maryland read as follows:

23 **Article 17 - Prince George's County**

24 10-187.

25 (a) (1) Except as provided in Subsection (b) of this Section, the County  
26 Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of  
27 the actual consideration paid or to be paid under every instrument of writing  
28 conveying title to real property, or any interest therein, in the County, offered for

1 record and recorded in the County. Conveyances to the State, any agency of the State,  
2 or any political Subdivision of the State shall not be subject to the tax imposed under  
3 this Section.

4 (b) (1) The Council may not impose a tax on the consideration represented  
5 by the assumption of a mortgage or deed of trust on an instrument of writing  
6 conveying title to real property between a husband and wife.

7 (2) The tax authorized under Subsection (a) of this Section does not  
8 apply to a mortgage or deed of trust on property that is owned by a religious group if  
9 the property is exempt from the property tax under Section 7-204 of the Tax -  
10 Property Article of the Annotated Code of Maryland.

11 (3) (I) IN THIS PARAGRAPH, "FIRST-TIME PRINCE GEORGE'S COUNTY  
12 HOME BUYER" MEANS AN INDIVIDUAL WHO HAS NEVER OWNED RESIDENTIAL REAL  
13 PROPERTY IN THE COUNTY THAT HAS BEEN THE INDIVIDUAL'S PRINCIPAL  
14 RESIDENCE.

15 (II) SUBJECT TO THE PROVISIONS OF SUBPARAGRAPHS (III) AND  
16 (IV) OF THIS PARAGRAPH, FOR A SALE OF IMPROVED RESIDENTIAL REAL PROPERTY  
17 TO A FIRST-TIME PRINCE GEORGE'S COUNTY HOME BUYER WHO WILL OCCUPY THE  
18 RESIDENCE AS A PRINCIPAL RESIDENCE, THE RATE OF A TRANSFER TAX IMPOSED  
19 UNDER THIS SECTION MAY NOT EXCEED 1.3%.

20 (III) IF THERE ARE TWO OR MORE GRANTEES, THIS PARAGRAPH  
21 DOES NOT APPLY UNLESS EACH GRANTEE IS A FIRST-TIME PRINCE GEORGE'S  
22 COUNTY HOME BUYER OR A COMAKER OR GUARANTOR OF A PURCHASE MONEY  
23 MORTGAGE OR PURCHASE MONEY DEED OF TRUST AS DEFINED IN § 12-108(I) OF THE  
24 TAX - PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, AND THE  
25 COMAKER OR GUARANTOR WILL NOT OCCUPY THE RESIDENCE AS THE COMAKER'S  
26 OR GUARANTOR'S PRINCIPAL RESIDENCE.

27 (IV) TO QUALIFY FOR THE RATE REDUCTION UNDER THIS  
28 PARAGRAPH, EACH GRANTEE SHALL PROVIDE A STATEMENT THAT IS SIGNED UNDER  
29 OATH BY THE GRANTEE STATING THAT:

30 1. A. THE GRANTEE IS AN INDIVIDUAL WHO HAS NEVER  
31 OWNED RESIDENTIAL REAL PROPERTY IN THE COUNTY THAT HAS BEEN THE  
32 INDIVIDUAL'S PRINCIPAL RESIDENCE; AND

33 B. THE RESIDENCE WILL BE OCCUPIED BY THE GRANTEE AS  
34 THE GRANTEE'S PRINCIPAL RESIDENCE; OR

35 2. A. THE GRANTEE IS A COMAKER OR GUARANTOR OF A  
36 PURCHASE MONEY MORTGAGE OR PURCHASE MONEY DEED OF TRUST FOR THE  
37 PROPERTY AS DEFINED IN § 12-108(I) OF THE TAX - PROPERTY ARTICLE OF THE  
38 ANNOTATED CODE OF MARYLAND; AND

39 B. THE GRANTEE WILL NOT OCCUPY THE RESIDENCE AS THE  
40 COMAKER'S OR GUARANTOR'S PRINCIPAL RESIDENCE.

1 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland  
2 read as follows:

3 **Article 17 - Prince George's County**

4 10-187.

5 (a) (1) Except as provided in Subsection (b) of this Section, the County  
6 Council is authorized and empowered to impose a tax at a rate not to exceed 1.4% of  
7 the actual consideration paid or to be paid under every instrument of writing  
8 conveying title to real property, or any interest therein, in the County, offered for  
9 record and recorded in the County. Conveyances to the State, any agency of the State,  
10 or any political Subdivision of the State shall not be subject to the tax imposed under  
11 this Section.

12 (b) (1) The Council may not impose a tax on the consideration represented  
13 by the assumption of a mortgage or deed of trust on an instrument of writing  
14 conveying title to real property between a husband and wife.

15 (2) The tax authorized under Subsection (a) of this Section does not  
16 apply to a mortgage or deed of trust on property that is owned by a religious group if  
17 the property is exempt from the property tax under Section 7-204 of the Tax -  
18 Property Article of the Annotated Code of Maryland.

19 (3) THE RATE OF A TRANSFER TAX IMPOSED UNDER THIS SECTION ON  
20 THE TRANSFER OF RESIDENTIAL REAL PROPERTY MAY NOT EXCEED:

- 21 (I) 1.3% ON OR AFTER JULY 1, 2003;
- 22 (II) 1.2% ON OR AFTER JULY 1, 2004; AND
- 23 (III) 1.0% ON OR AFTER JULY 1, 2005.

24 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall  
25 take effect July 1, 2003.

26 SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in  
27 Section 3 of this Act, this Act shall take effect July 1, 2001. Section 1 of this Act shall  
28 remain effective for a period of 2 years and, at the end of June 30, 2003, with no  
29 further action required by the General Assembly, Section 1 of this Act shall be  
30 abrogated and of no further force and effect.